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ARIZONA CORPORATION COMMISSION

RECEIVED Utilities Division

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Docket #

AZ CORP COMMISSION
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Dear Sons,



ARIZONA CORPORATION
COMMISSION

MAR 12 2003

Director of Utilities

WS-01303A-02-0867 870
WS-01303A-02-0868
WS-01303A-02-0869
WS-01303A-02-0870
W-01303A-02-0908

I recently attended a meeting with the AZ - American Water Company in ANTHEM. Their printed statements said this:

Q. Why does Arizona-American need a rate increase?

There are several reasons for this rate increase. As water systems age, maintenance and repair costs increase. In addition, the cost we pay for goods like valves, pipes and pumps to transport water and wastewater, chemicals to treat water and labor have increased. Just as your costs to purchase goods increases over time, so does ours. In many areas, our customers haven't had a rate increase in more than 5 years.

What they didn't say:

over a year ago we purchased this water

Arizona Corporation Commission

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company from Del Webb knowing it was not able to earn a 7.75% profit, without a huge increase in rates (approx 33%) This profit, they felt, was almost guaranteed, would be after taxes, hence not a 8% increase, but the 33% indicated

Q. Will the additional costs result in additional profits for Arizona-American Water Company?

A. No. The rate increase is the first in more than 5 years, and is needed simply to maintain current levels of service, system reliability and to keep up with increased costs in goods we purchase, such as chemicals, postage and labor.

How can you trust a company that blatantly lies to its customers?! It's all about additional profit, and they're the ones who admitted as such. pg 1 of 2

Each new homeowner ^{is} ~~is~~ charged approx \$750⁰⁰ for hookup, and this is included in the house price.

If the base price is set at almost \$90⁰⁰ a month there is no incentive to save water. Why not increase New home charges, set the base price low, and increase for above normal water usage?

I live in Vail, Co. in the summer now and year round for most of the last 25 years. As some of you know Vail is not an inexpensive place to live, yet our Anthem sewer and water bills are ~~currently~~ 85% higher than Colorado for the same 7,000 gallons usage.

Below are figures to support their requests, yet ~~totally~~, our increases would result in bills over 100% higher than the others presented.

Water/Wastewater System	Current Bill	Proposed Bill	Total % Increase	Last Action Date	Last Action Impact
* Agua Fria Water	\$22.46	\$24.13	7.44%	May 97	Increase 24 ⁰⁰
* Anthem/Agua Fria Wastewater	\$30.00	\$45.45	51.50%	June 1998	New 33
Anthem Water ³³	\$36.42	\$42.58	16.91%	June 1998	New
Sun City Water	\$11.17	\$21.09	88.81%	May 1997	Decrease 21
Sun City Wastewater ³⁴	\$12.87	\$14.48	12.51%	May 1997	Increase 31 1427+
Sun City West Water	\$11.67	\$16.84	44.30%	May 1997	Decrease 28
Sun City West Wastewater ⁴²	\$16.24	\$25.27	55.60%	May 1997	Increase

AZ-American also divided their corporate structure so that Anthem would have to show a profit on their own. Where is their responsibility, prior to purchasing this system from Del Webb, to the consumer and homeowner to provide water and waste treatment at an affordable price that still allows for their investors a reasonable profit?

Sincerely,

Gerald J Green



P.S. Please advise me of future discussion with the commission.

P.S.S I don't trust a company (AZ American) that has a meeting (in Anthem) with no chairs!